



chair **John Chiang**  
member **Betty T. Yee**  
member **Michael C. Genest**

State of California  
**Franchise Tax Board**

03.12.09

To: California Residential Property Management Companies  
From: Phillip Gray, Manager, Withholding Services and Compliance Section  
Subject: Compliance and Withholding Requirements of Residential Property Managers

## Memorandum

March 12, 2009

Our most recent education and outreach efforts include the property management industry and withholding on rent and lease payments to nonresident property owners for residential purposes.

In January 2009, as part of our education and outreach efforts, we clarified Question 70 in [Publication 1017](#) (Rev. 01-2009), *Resident and Nonresident Withholding Guidelines*, as it relates to the withholding requirements of residential property managers. As we focus on education and outreach, residential property managers will be given time during 2009 to come into compliance with our nonresident, quarterly withholding program, with the goal of full compliance by 2010.

FTB is assisting property management associations in educating industry members. At the request of industry, FTB plans to attend different association conferences to provide assistance and education.